

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

May 24, 2002

IN RE:

**PETITION FOR APPROVAL FOR THE ACQUISITION
OF MAJORITY OWNERSHIP OF TUMLINSON
ENGINEERING, INC. BY MICHAEL D. HORTON**

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) **DOCKET NO.**
) **02-00384**
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ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before the Tennessee Regulatory Authority (the "Authority") at the regularly scheduled Authority Conference held on April 30, 2002 for consideration of the *Petition for Approval* (the "*Petition*") of Counce Natural Gas Corporation ("Counce") and Tumlinson Engineering, Inc. ("Tumlinson") (collectively the "Petitioners"), pursuant to the provisions of Tenn. Code Ann. § 65-4-113, for approval of a transfer of authority to provide utility services.

Requirement of and Standards for Authority Approval

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain Authority approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) provides as follows:

(a) No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the Authority shall consider an application for transfer of authority, in pertinent part, as follows:

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant

factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

The Petition

In the *Petition*, which was filed on April 5, 2002, the Petitioners request that the Authority approve the transfer of ownership of Tumlinson, which is the parent of Counce. The *Petition* states that Evan E. Tumlinson, Sarah T. O'Leary individually, and Sarah T. O'Leary as custodian for Evan Edward O'Leary under the Uniform Mississippi Transfer to Minors Act, will sell all of their capital stock in Tumlinson to Michael D. Horton. According to the *Petition*, Tumlinson is a privately held corporation organized and existing under the laws of the State of Mississippi, with its principal place of business located in West Point, Mississippi. Tumlinson owns all of the outstanding and issued stock of Counce, a Tennessee corporation which operates a natural gas pipeline and marketing service for its customers located in Counce, Tennessee and southwest Hardin County. Michael D. Horton is a resident of Mantachie, Mississippi and is a certified operator approved by the Mississippi Public Service Commission. Mr. Horton is a former officer and shareholder of Tumlinson and is presently Vice President of Counce.

Public Interest Considerations

According to the *Petition*, the proposed transaction will be transparent to and have no detrimental impact on Tumlinson's Tennessee customers. The *Petition* states that Mr. Horton's knowledge of Tumlinson's operations will ensure an efficient and smooth transition of ownership. Mr. Horton is experienced in the management of natural gas distribution systems and natural gas marketing. This experience will enable Tumlinson to expand its existing distribution system, which will benefit Tennessee customers.

Findings

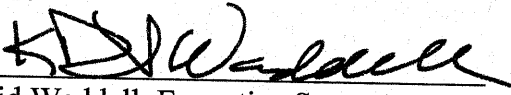
The Directors of the Authority considered this matter at the April 30, 2002 Authority Conference. Based upon careful consideration of the *Petition*, the Authority finds and concludes as follows:

1. The Authority has jurisdiction over the subject matter of this *Petition* pursuant to Tenn. Code Ann. § 65-4-113;
2. Counce Natural Gas Corporation been granted authority to provide utility services in Tennessee;
3. Control of Counce Natural Gas Corporation's parent, Tumlinson Engineering, Inc., will be transferred to Mr. Michael D. Horton, resulting in a transfer of the authority to provide utility services granted to Counce Natural Gas Corporation; and
4. Approval of the transfer of authority is appropriate pursuant to the provisions of Tenn. Code Ann. § 65-4-113.

IT IS THEREFORE ORDERED THAT:

1. The *Petition* of Counce Natural Gas Corporation and Tumlinson Engineering, Inc. for approval of the transfer of authority described herein is approved; and
2. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen (15) days from and after the date of this Order.

ATTEST:


K. David Waddell, Executive Secretary


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director